



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mr. Oscar Gene DeRossett
DeRossett for Congress
P.O. Box 367
Saline, MI 48176

APR 20 2006

RE: MUR 5731
Oscar Gene DeRossett

Dear Mr. DeRossett:

On April 13, 2006, the Federal Election Commission found that there is reason to believe that you violated 2 U.S.C. § 441a-1(b)(1), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 400.25. These findings were based upon information ascertained in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2). The Factual and Legal Analysis, which more fully explains the Commission's findings, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred _____

Please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Mark A. Goodin, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,



Michael E. Toner
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

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1 **FEDERAL ELECTION COMMISSION**

2
3 **FACTUAL AND LEGAL ANALYSIS**

4 MUR: 5731

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6 **RESPONDENT: Oscar Gene DeRossett**

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8 This matter was generated based on information ascertained by the Federal Election
9 Commission (the "Commission") in the normal course of carrying out its supervisory
10 responsibilities. See 2 U.S.C. § 437g(a)(2). Oscar Gene DeRossett was a candidate in the
11 primary election for Congress from the Seventh District of Michigan in 2004.¹ DeRossett for
12 Congress (the "Committee") is the authorized committee for Mr. DeRossett, and Lori Jean
13 Lobbestael is the treasurer. Mr. DeRossett established the Committee as his principal campaign
14 committee and he declared that he intended to expend \$100,000 in personal funds in excess of
15 the threshold amount for the primary election. Statement of Candidacy for Mr. DeRossett (Apr.
16 9, 2003). Mr. DeRossett began to expend personal funds for the primary election—in the form of
17 a \$57,000 loan to the Committee—on April 8, 2003. After making two subsequent loans to the
18 Committee, Mr. DeRossett loaned \$230,000 to the Committee on March 31, 2004. This final
19 loan resulted in a total of \$451,000 of personal funds that he provided to the Committee, thereby
20 exceeding the \$350,000 threshold that triggers the requirement to file FEC Form 10 ("24-Hour
21 Notice of Expenditure from Candidate's Personal Funds"). The Committee filed FEC Form 10
22 on April 19, 2004, which was 18 days late. In response to a Request for Additional Information
23 sent to the Committee on May 4, 2004, the Committee explained that it only became aware of its
24 obligation to file FEC Form 10 on the date that the Committee actually filed it.

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¹ Mr. DeRossett lost the primary election on August 3, 2004.

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1 When a candidate for the U.S. House of Representatives makes an aggregate expenditure
2 of personal funds with respect to an election in excess of \$350,000, the candidate or his or her
3 authorized committee must file a notification (FEC Form 10) within 24 hours of exceeding that
4 threshold.² See 2 U.S.C. § 441a-1(b)(1)(C); 11 C.F.R. § 400.21(b). The required notification
5 must be filed with the Commission, with each candidate in the same election, and with the
6 national party of each such candidate. 2 U.S.C. § 441a-1(b)(1)(F); 11 C.F.R. § 400.21(b).
7 Required notifications must include the date and amount of each expenditure from personal
8 funds since the last notification and the total amount of expenditures from personal funds from
9 the beginning of the election cycle to the date of the expenditure that triggered the notification.³
10 2 U.S.C. § 441a-1(b)(1)(E); 11 C.F.R. §§ 400.24(b) and 400.23. Although FEC Form 10 is
11 signed by the committee treasurer, candidates are responsible for ensuring that it is properly filed
12 11 C.F.R. § 400.25. See, e.g., MUR 5623 (Crotts) (Commission found reason to believe that
13 candidate violated personal funds expenditure reporting requirements).

14 There is no dispute regarding the Committee's late filing of FEC Form 10. Therefore,
15 there is reason to believe that Oscar Gene DeRossett violated 2 U.S.C. § 441a-1(b)(1) and
16 11 C.F.R. § 400.25.

² An expenditure from personal funds includes loans by the candidate to his authorized committee using personal funds. 2 U.S.C. § 441a-1(b)(1)(A)(ii); 11 C.F.R. § 400.4(a)(2). A House candidate's personal expenditures could entitle his opponents to a threefold increase in the contribution limit under 2 U.S.C. § 441a(a)(1)(A) and a waiver of the limits on coordinated party expenditures under 2 U.S.C. § 441a(d). See 2 U.S.C. § 441a-1(a); 11 C.F.R. § 400.41.

³ Once the candidate has exceeded the \$350,000 threshold, his authorized committee must also file notifications for each additional expenditure from personal funds exceeding \$10,000 in connection with the election. 2 U.S.C. § 441a-1(b)(1)(D); 11 C.F.R. § 400.22(b). An election cycle runs from the date after the most recent election for the specific office to the date of the next election for that office. 11 C.F.R. § 400.2(a). The primary and general elections are considered separate election cycles. 11 C.F.R. § 400.2(b).